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C O N F I D E N T I A L SECTION 01 OF 03 YEREVAN 000688

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SUBJECT: KOCHARIAN GRIM ON NORMALIZATION, NK CONFLICT,

ECONOMY

REF: A. YEREVAN 308

1B. YEREVAN 307
1C. 08 YEREVAN 998

RUEAIIA/CIA WASHDC

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Classified By: AMB Marie L. Yovanovitch, reasons 1.4 (b,d).

SUMMARY

11. (C) During the Ambassador's recent call on Robert Kocharian, Armenia's second president criticized President Sargsian for his handling of normalization of relations with Turkey. Kocharian said Sargsian was taking too big a risk and conceding too much in a misguided negotiating process that he said Turkey would drag out endlessly without any benefit for Armenia. Kocharian warned against outsiders pressuring Sargsian for a breakthrough in the Nagorno-Karabakh (NK) settlement process, arguing that any forced concessions could trigger "a backlash" against Sargsian, and he warned the Ambassador that if Turkey-Armenia normalization fails, the Armenian public would ultimately blame the U.S. Kocharian saw no possibility of a breakthrough until Azerbaijan realized it could not solve the conflict militarily. The former president also accused the Armenian government of ineptly handling the economic crisis. In spite of his palpable policy disagreements with President Sargsian, Kocharian said he had no intention of interfering in his successor's handling of national affairs. END SUMMARY.

PRESIDENT MISHANDLING NORMALIZATION WITH TURKEY

- 12. (C) On September 25, the Ambassador called on ex-president Robert Kocharian to gauge his views on the normalization process with Turkey, the NK settlement process, and Armenia's economic situation. Not one to pull a punch (either in public nor in private), Kocharian griped that current President Serzh Sargsian is mishandling the normalization process, cutting off all of Armenia's room for maneuver with Turkey. Kocharian stated that the situation was not catastrophic for Sargsian, but he need not have taken such significant risks the possibility of normalization failing and the border remaining closed which will only tarnish Sargsian's presidency and relations with Armenia's Diaspora.
- 13. (C) Kocharian repeatedly affirmed to the Ambassador that he has always favored normalizing ties with Turkey, but he would never have gone about it through the pursuit of the protocols. (Comment: Based on our interaction with Kocharian when he was president, his claims that he always favored normalization are not credible. End comment.) He asked,

"why should Turkey's parliament have to ratify" a set of protocols when "the Turks did no such thing in closing the border" in 1993. Kocharian bitterly complained that the Turks were exploiting the protocols and Sargsian in an effort to embark upon a negotiating process that they had every intention of dragging out, to the detriment of Armenia's interests. "If they want to establish relations and open the border, all they have to do is sign a document saying they want relations, and then open the border," Kocharian fumed. He said he would have imposed a deadline on the Turks to do both things, and criticized Sargsian for not doing so. "Now Turkey is dictating the process, and we have no room for maneuver." He also warned that now Armenia has entered into "an eternal process that risks having no results."

14. (C) Kocharian also criticized Armenia's agreement to a sub-commission on historical matters. He said he was surprised that Foreign Minister Nalbandian had even agreed to this; it would have been better, Kocharian stated, had Armenia insisted on the establishment of one inter-governmental commission that could study the gamut of bilateral issues (similar to what Kocharian had proposed to Turkish Prime Minister Erdogan in 2005). Miffed, Kocharian said that now President Sargsian was about to embark upon "an unnecessary" and "avoidable" world tour of Armenian Diaspora communities to defend the protocols.

DISMISSES "POLITICAL CONSULTATIONS"

15. (C) Asked by the Ambassador about his view of the domestic opposition to the protocols, Kocharian dismissed political parties as a potential obstacle for Sargsian. He said, however, that the president could have avoided the opposition

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of the nationalist Armenian Revolutionary Federation Dashnaktsutiun (Dashnaks) by consulting them on the wording
of the protocols prior to their publication. "Two word
fixes: is all it would have taken to neutralize the Dashnak
criticism. He said that not a single political party, with
the exception of the ruling Republican Party of Armenia,
mattered in the debate. Surprisingly, Kocharian disparaged
Prosperous Armenia, calling it "a one-man party" that has no
say. (COMMENT: It is widely believed that then-president
Kocharian was behind the establishment of the Prosperous
Armenia, which he envisioned as a future rival of the RPA,
and that it is still Kocharian's stalking horse today. END
COMMENT)

"OSKANIAN DOES NOT SPEAK FOR ME"

- 16. (C) Kocharian flatly denied that ex-Foreign Minister Vartan Oskanian was speaking for him in his increasingly shrill attacks on Armenia's normalization policy. Kocharian argued that Oskanian's recent interventions had more to do with Oskanian's principled stand, and the fact that the current administration has ignored Oskanian and his decade-long experience on the matter. "Vartan is concerned," Kocharian said, "because he feels Armenia is being forced to pay a price for the border opening when it should not have to." Kocharian claimed that Foreign Minister Edward Nalbandian insulted Oskanian by not consulting with his predecessor, and that Kocharian had recommended to President Sargsian some sort of advisory role for Oskanian on the normalization process. "The authorities could have utilized the most competent person in Armenia" on Turkey-Armenian relations, but instead "forced him into a corner," Kocharian stated.
- 17. This is in contrast to how Kocharian himself is being treated. He said he still occasionally consulQwith the president on affairs of state, and that he recently voiced

his differences with Sargsian on Turkey. "But I won't interfere" in the President's business, Kocharian vowed. Kocharian said he intended not to interfere because if he did he would not be able "to lie about what he thought" of the government's policies and performance.

U.S. TO SUFFER IF NORMALIZATION FAILS

18. (C) Kocharian warned the Ambassador that should the current normalization talks fail, U.S. interests could be adversely affected in Armenia. Kocharian said the perception that United States was forcing Armenia to make unrequited concessions was already well established in Armenian society, and that if the process didn't produce results for Armenia, "it will harm Armenia's relations with the United States."

"No one wants to blame themselves," he noted, adding that "nobody wants to be viewed as a fool," in reference to the possibility that President Sargsian faces should the talks breakdown without any gain for Armenia.

CAREFUL NOT TO PRESSURE ARMENIA TOO MUCH ON NK

¶9. (C) When asked his views on the way forward for a settlement of the NK conflict, Kocharian warned that now, more than at anytime during his own presidency, "it will be very complex" for Armenia's president to extract substantive compromises from NK's leadership. He cautioned against outsiders pressing Armenia's president so much "that there can be a backlash" against him for attempting unpalatable compromises. Somewhat ominously, Kocharian expanded on such a scenario, saying that if an Armenian leader agreed to such compromises, "he will be stopped" by (unspecified) others who have long been part of the settlement process.

NO BREAKTHROUGH UNTIL BAKU RULES OUT MILITARY OPTION

110. (C) Kocharian asserted that there would be no breakthrough in the settlement process "until Azerbaijan accepts that there can be no military solution to Karabakh" and "it has the will to compromise." Kocharian cautioned that such a compromise would not come as long as Azerbaijan felt empowered by its hydrocarbon riches and thought it held aQdvantage over Armenia. Kocharian nevertheless noted that

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in spite of repeated inflammatory statements by Azerbaijani President Ilham Aliyev to take back NK and the adjoining territories by force, he did not think Aliyev was an adventurist. "He's not a Saakashvili," exclaimed Kocharian, "he's more careful and cautious." Kocharian then qualified his assessment, noting that the only time he thought the Azerbaijanis might try to settle the conflict militarily was if "the internal situation in Armenia became catastrophic."

111. (C) As for Armenian motivations to settle the conflict, Kocharian said with each passing day it becomes harder for Karabakhi Armenians to fathom unpalatable compromises, such as giving up the seven provinces that now form the security zone around NK. Kocharian said that he had warned then-President Heydar Aliyev of this in 1999, and urged that the two leaders strive to avoid such a scenario by coming to a final settlement. He then stated that "sacrificing the independence" of NK was now "impossible." "Can you imagine," Kocharian exclaimed, "why a people who has lived freely and independently for 21 years (since NK declared its secession from the Soviet Socialist Republic of Azerbaijan) would revert back" to what existed before.

112. (C) As previously reported, the ex-president keeps a close pulse on state affairs, and gives the distinct impression that he could quickly step into the breach to serve again if conditions warranted. He appears to be biding his time enjoying his new life of leisure and reveling in traveling internationally without the complications of being President. However it is far too early to count Kocharian out. "Who knows?" he said; "This might be my only window to travel..."

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